



## **Mutualized Benefit Charge**

In 1990 the Indiana General Assembly amended IC 22-4-11 of the Employment and Training Services Act, establishing the Mutualized Benefit Charge (MBC). The MBC is a more equitable way of determining a company's share of benefits paid to any unemployed person when their former (base period) employer is not liable, that is, chargeable for the benefits.

### **What is a Mutualized Benefit Charge?**

The Mutualized Benefit Charge relieves your responsibility for benefit charges when an employee leaves employment voluntarily without good cause or was discharged for just cause as determined by the local Unemployment Insurance office.

Example: You had an employee who, according to the local UI office, quit or was justly fired. Six months later, this ex-employee gets laid off from another job and applies for unemployment benefits. Your company would be included in that claimant's "base period." Income earned during the base period, the last five full calendar quarters, determines the amount of benefits a claimant will receive.

Before July 1, 1991, your company's experience account would have been assessed for a share of the benefits. Now a mutual benefit pool account absorbs these debits instead of your account. Every calendar year, the total debits to the "Mutualized Benefit Charge Pool" will be proportionately assessed to the experience accounts of all covered employers.